

**HB**

**273**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/27/08

FURTHER:

DATE TURNED  
IN TO OFFICE: 2/28/08

Finance Committee considered CS FOR HOUSE BILL NO. 273(FIN)

## HB 273 EDUCATION FUNDING

"An Act relating to school funding, funding for student transportation services, the base student allocation, district cost factors, and the adjustments for intensive services and average daily membership calculations; and providing for an effective date."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

**SENATE BILL:**  
 Same Title  
 New Title

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**HOUSE BILL:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

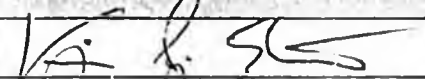

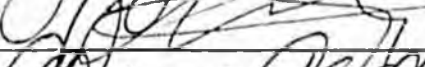
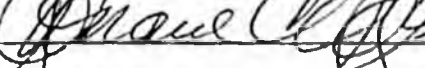


**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	2/14			✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
EED	1/18	✓			1
EED	2/6	✓			3
HFC	2/22	✓			4

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	ELTON	✓			
	THOMAS	✓			
	HIGGINS	✓			
	O'SOD	✓			
CO-CHAIR: 	HUFFMAN	✓			
CO-CHAIR: 	STROMAN	✓			

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 273  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services  
 RDU Public Assistance  
 Component Child Care Benefits

ID(File name) HB273-DHSS-CCB-02-14-08  
 Title EDUCATION FUNDING

Sponsor HAWKER  
 Requester SENATE FIN Component No. 1897

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES (0)</b>								
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

AS 47.25.071 authorizes the Child Care Grant Program, which provides assistance for the operation of child care facilities. Under current law, grants to qualifying providers are adjusted on a geographic basis by the same factor as funding for a school district. Grants are also capped at \$50 per month for each qualifying child.

The Department does not anticipate that the changes to the school district cost factors in Section 5 of HB 273 will have a significant fiscal impact on the Child Care Grant Program as the proposal does not remove the \$50 monthly cap for each qualifying child.

Prepared by: Ellie Fitzjarrald, Director  
 Division Public Assistance  
 Approved by: Karleen Jackson, Commissioner  
 Agency Department of Health and Social Services

Phone 465-2680  
 Date/Time 02/13/2008  
 Date 02/14/2008

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4  
Bill Version: CSHB 273(FIN)  
(H) Publish Date: 2/25/08

Identifier (file name): \_\_\_\_\_ Dept. Affected: Education and Early Development  
Title: "An Act relating to school funding, the base student allocation, RDU K-12 Support  
district cost factors, and the adjustments for..." Component: Foundation Program  
Sponsor: Representative Hawker  
Requester: House Finance Committee Component Number: 141

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims	168,988.0	112,496.4	56,491.6	57,712.5	12,901.0	12,075.0		
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>168,988.0</b>	<b>112,496.4</b>	<b>56,491.6</b>	<b>57,712.5</b>	<b>12,901.0</b>	<b>12,075.0</b>	<b>0.0</b>	

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	168,988.0	112,496.4	56,491.6	57,712.5	12,901.0	12,075.0	
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>168,988.0</b>	<b>112,496.4</b>	<b>56,491.6</b>	<b>57,712.5</b>	<b>12,901.0</b>	<b>12,075.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This bill would set the district cost factors in FY 09 at 50% of the ISER increase over the original cost factors and implement the remaining 50% over the next 4 years; offers 9x the Base Student Allocation (BSA) for intensive needs, plus it will increase it to 11x the BSA in FY 2010 and 13x the BSA in FY 2011; provide a hold harmless provision for those districts whose school size adjusted ADM has decreased by more than 5% over the prior year; and increases the BSA by \$100 for FY 09 to \$5,480, FY 2010 to \$5,580, and FY 2011 to \$5,680.

The revised fiscal note reflects the legislative view of K-12 funding mechanics. The FY09 appropriation funds the \$112 million cost increase anticipated in FY09 and sets aside the \$56 million cost increase anticipated in FY2010.

Prepared by: House Finance Committee  
Division: \_\_\_\_\_  
Approved by: Rep. Kevin Meyer, Co-Chairman  
Rep. Miko Chenault, Co-Chairman

Phone 465-4945  
Date/Time 2/22/08 12:01 p.m.  
Date 2/22/2008

School Districts	50% ISER Implemented	BSA Increase by \$100 to \$5,480	Intensive Multiplier from x5 to x9	5% reduction in School Size Adjustment Hold Harmless	Year 1 FY 2009 funding
ALASKA GATEWAY	596,366	113,123	129,120	-	838,609
ALEUTIAN REGION	78,404	26,202	-	-	104,606
ALEUTIANS EAST BOROUGH	900,215	100,271	-	-	1,000,486
ANCHORAGE	0	6,983,032	17,904,640	-	24,887,672
ANNETTE ISLAND	425,420	57,390	21,520	-	504,330
BERING STRAIT	4,145,639	589,180	430,400	-	5,165,219
BRISTOL BAY BOROUGH	190,478	46,578	43,040	-	280,096
CHATHAM	432,435	51,220	86,080	-	569,735
CHUGACH	96,157	38,056	-	-	134,213
COPPER RIVER	364,445	131,496	193,680	-	689,621
CORDOVA CITY	239,798	80,423	129,120	-	449,341
CRAIG CITY	303,255	105,434	215,200	-	623,889
DELTA/GREELY	484,884	187,840	150,640	-	823,364
DENALI BOROUGH	26,872	96,054	64,560	-	187,486
DILLINGHAM CITY	197,709	111,559	172,160	-	481,428
FAIRBANKS NORTH STAR BOROUGH	1,624,033	2,265,608	6,176,240	-	10,065,881
GALENA CITY	49,968	337,704	-	-	387,672
HAINES BOROUGH	277,679	67,805	172,160	-	517,644
HOONAH CITY	230,517	34,073	86,080	61,029	411,699
HYDABURG CITY	168,840	19,289	-	-	188,129
IDITAROD AREA	489,741	88,044	-	-	577,785
JUNEAU BOROUGH	2,512,971	844,226	2,926,720	-	6,283,917
KAKE CITY	201,162	23,138	43,040	150,278	417,618
KASHUNAMIUT	350,470	90,362	129,120	-	569,952
KENAI PENINSULA BOROUGH	5,592,144	1,497,259	1,936,800	-	9,026,203
KETCHIKAN GATEWAY BOROUGH	1,514,550	376,286	430,400	-	2,321,236
KLAWOCK CITY	205,425	33,583	64,560	-	303,568
KODIAK ISLAND BOROUGH	2,044,545	490,291	581,040	-	3,115,876
KUSPUK	683,673	135,581	43,040	-	862,294
LAKE AND PENINSULA BOROUGH	1,060,692	161,945	43,040	-	1,265,677
LOWER KUSKOKWIM	3,290,913	1,175,026	1,355,760	-	5,821,699
LOWER YUKON	4,246,059	625,032	301,280	-	5,172,371
MATANUSKA-SUSITNA BOROUGH	3,303,917	2,450,573	4,863,520	-	10,618,010
NENANA CITY	71,984	101,892	64,560	-	238,436
NOME CITY	412,471	163,737	64,560	-	640,768
NORTH SLOPE BOROUGH	2,095,213	452,486	193,680	-	2,741,379
NORTHWEST ARCTIC BOROUGH	2,500,614	588,294	430,400	-	3,519,308
PELICAN CITY	24,120	6,577	-	-	30,697
PETERSBURG CITY	597,662	112,660	258,240	-	968,562
PRIBILOF	161,232	34,170	-	-	195,402
SAINT MARY'S	257,389	53,609	43,040	-	354,038
SITKA BOROUGH	1,030,205	249,106	774,720	-	2,054,031
SKAGWAY CITY	16,026	24,202	64,560	140,890	245,678
SOUTHEAST ISLAND	345,128	60,682	64,560	-	470,370
SOUTHWEST REGION	934,857	210,911	129,120	-	1,274,888
TANANA	90,222	20,711	43,040	-	153,973
UNALASKA CITY	345,289	89,503	43,040	-	477,832
VALDEZ CITY	225,823	131,981	172,160	-	529,964
WRANGELL PUBLIC	248,325	63,930	43,040	-	355,295
YAKUTAT	211,686	26,347	-	128,694	366,727
YUKON FLATS	811,558	127,931	21,520	-	961,009
YUKON/KOYUKUK	659,714	213,398	172,160	-	1,045,272
YUPIIT	642,556	151,448	43,040	-	837,044
Mt. Edgecumbe	305,090	63,350	-	-	368,440
<b>Total</b>	<b>48,316,540</b>	<b>22,380,608</b>	<b>41,318,400</b>	<b>480,891</b>	<b>112,496,439</b>

School Districts	1/4 Increase of remaining 50% ISER	BSA Increase by \$100 to \$5,580	Intensivo Multiplier from x9 to x11	YEAR 2 FY 2010 funding
ALASKA GATEWAY	151,855	117,086	65,760	334,701
ALEUTIAN REGION	20,390	26,573	-	46,963
ALEUTIANS EAST BOROUGH	229,239	104,442	-	333,681
ANCHORAGE	0	7,149,432	9,118,720	16,268,152
ANNETTE ISLAND	108,382	59,562	10,960	178,904
BERING STRAIT	1,051,110	612,305	219,200	1,882,615
BRISTOL BAY BOROUGH	48,476	47,860	21,920	118,256
CHATHAM	110,031	54,022	43,840	207,893
CHUGACH	24,238	38,497	-	62,735
COPPER RIVER	95,411	135,032	98,640	329,083
CORDOVA CITY	60,127	82,717	65,760	208,604
CRAIG CITY	78,813	108,868	109,600	297,281
DELTA/GREELY	123,441	191,486	76,720	391,647
DENALI BOROUGH	8,244	96,804	32,880	137,928
DILLINGHAM CITY	52,542	114,115	87,680	254,337
FAIRBANKS NORTH STAR BOROUGH	413,520	2,330,532	3,145,520	5,889,572
GALENA CITY	13,959	337,958	-	351,917
HAINES BOROUGH	70,623	70,690	87,680	228,993
HOONAH CITY	61,225	37,303	43,840	142,368
HYDABURG CITY	43,309	20,077	-	63,386
IDITAROD AREA	124,704	90,313	-	215,017
JUNEAU BOROUGH	658,091	883,400	1,490,560	3,032,051
KAKE CITY	59,028	27,987	21,920	108,935
KASHUNAMIUT	90,134	93,202	65,760	249,096
KENAI PENINSULA BOROUGH	1,423,959	1,541,168	986,400	3,951,527
KETCHIKAN GATEWAY BOROUGH	381,147	387,221	219,200	987,568
KLAWOCK CITY	52,653	35,141	32,880	120,674
KODIAK ISLAND BOROUGH	531,243	505,357	295,920	1,332,520
KUSPUK	176,366	139,190	21,920	337,476
LAKE AND PENINSULA BOROUGH	272,547	167,304	21,920	461,771
LOWER KUSKOKWIM	857,431	1,203,227	690,480	2,751,138
LOWER YUKON	1,081,173	647,504	153,440	1,882,117
MATANUSKA-SUSITNA BOROUGH	897,387	2,512,101	2,476,960	5,886,448
NENANA CITY	19,455	102,846	32,880	155,181
NOME CITY	108,161	166,305	32,880	307,346
NORTH SLOPE BOROUGH	533,551	463,994	98,640	1,096,185
NORTHWEST ARCTIC BOROUGH	632,040	603,794	219,200	1,455,034
PELICAN CITY	6,266	6,691	-	12,957
PETERSBURG CITY	154,657	117,874	131,520	404,051
PRIBILOF	41,110	34,918	-	76,028
SAINT MARY'S	65,073	55,193	21,920	142,186
SITKA BOROUGH	267,655	261,176	394,560	923,391
SKAGWAY CITY	4,561	27,533	32,880	64,974
SOUTHEAST ISLAND	87,826	62,880	32,880	183,586
SOUTHWEST REGION	239,790	216,474	65,760	522,024
TANANA	22,753	21,525	21,920	66,198
UNALASKA CITY	89,751	91,536	21,920	203,207
VALDEZ CITY	60,511	134,682	87,680	282,873
WRANGELL PUBLIC	63,259	65,481	21,920	150,660
YAKUTAT	59,961	30,240	-	90,201
YUKON FLATS	206,705	131,892	10,960	349,557
YUKON/KOYUKUK	169,057	218,074	87,680	474,811
YUPIIT	164,880	154,848	21,920	341,648
Mt. Edgocumbe	79,307	64,793	-	144,100
<b>Total</b>	<b>12,447,127</b>	<b>23,001,225</b>	<b>21,043,200</b>	<b>56,491,552</b>

School Districts	1/4 Increase of remaining 50% ISER	BSA increase by \$100 to \$5,680	Intensive Multiplier from x11 to x13	YEAR 3 FY 2011 funding
ALASKA GATEWAY	154,617	121,049	66,960	342,626
ALEUTIAN REGION	20,761	26,944	-	47,705
ALEUTIANS EAST BOROUGH	233,353	108,612	-	341,965
ANCHORAGE	0	7,315,832	9,285,120	16,600,952
ANNETTE ISLAND	110,241	61,732	11,160	183,133
BERING STRAIT	1,070,291	635,431	223,200	1,928,922
BRISTOL BAY BOROUGH	49,357	49,142	22,320	120,819
CHATHAM	112,143	56,826	44,640	213,609
CHUGACH	24,733	38,939	-	63,672
COPPER RIVER	97,202	138,569	100,440	336,211
CORDOVA CITY	61,276	85,012	66,960	213,248
CRAIG CITY	80,247	112,302	111,600	304,149
DELTA/GREELY	125,686	195,132	78,120	398,938
DENALI BOROUGH	8,282	97,552	33,480	139,314
DILLINGHAM CITY	53,442	116,670	89,280	259,392
FAIRBANKS NORTH STAR BOROUGH	421,043	2,395,456	3,202,920	6,019,419
GALENA CITY	14,103	338,210	-	352,313
HAINES BOROUGH	71,965	73,576	89,280	234,821
HOONAH CITY	62,396	39,218	44,640	146,254
HYDABURG CITY	44,209	20,867	-	65,076
IDITAROD AREA	126,974	92,582	-	217,556
JUNEAU BOROUGH	670,121	922,575	1,517,760	3,110,456
KAKE CITY	60,101	29,461	22,320	111,882
KASHUNAMIUT	91,662	96,040	66,960	254,662
KENAI PENINSULA BOROUGH	1,449,923	1,585,078	1,004,400	4,039,401
KETCHIKAN GATEWAY BOROUGH	388,083	398,156	223,200	1,009,439
KLAWOCK CITY	53,665	36,700	33,480	123,845
KODIAK ISLAND BOROUGH	540,854	520,422	301,320	1,362,596
KUSPUK	179,520	142,793	22,320	344,638
LAKE AND PENINSULA BOROUGH	277,561	172,664	22,320	472,545
LOWER KUSKOKWIM	873,031	1,231,428	703,080	2,807,539
LOWER YUKON	1,100,845	669,976	156,240	1,927,061
MATANUSKA-SUSITNA BOROUGH	913,658	2,573,628	2,522,160	6,009,446
NENANA CITY	19,754	103,799	33,480	157,033
NOME CITY	110,185	168,874	33,480	312,539
NORTH SLOPE BOROUGH	543,204	475,501	100,440	1,119,145
NORTHWEST ARCTIC BOROUGH	643,540	619,294	223,200	1,486,034
PELICAN CITY	6,379	6,805	-	13,184
PETERSBURG CITY	157,471	123,088	133,920	414,479
PRIBILOF	41,746	35,664	-	77,410
SAINT MARY'S	66,201	56,776	22,320	145,297
SITKA BOROUGH	272,525	273,246	401,760	947,531
SKAGWAY CITY	4,702	28,217	33,480	66,399
SOUTHEAST ISLAND	89,536	65,080	33,480	188,096
SOUTHWEST REGION	244,209	222,038	66,960	533,207
TANANA	23,223	22,340	22,320	67,883
UNALASKA CITY	91,326	93,568	22,320	207,214
VALDEZ CITY	61,667	137,384	89,280	288,331
WRANGELL PUBLIC	64,410	67,032	22,320	153,762
YAKUTAT	61,109	31,332	-	92,441
YUKON FLATS	210,353	135,851	11,160	357,364
YUKON/KOYUKUK	172,133	222,750	89,280	484,163
YUPIIT	167,880	158,248	22,320	348,448
Mt. Edgecumbe	80,695	66,235	-	146,930
<b>Total</b>	<b>12,673,593</b>	<b>23,611,701</b>	<b>21,427,200</b>	<b>57,712,494</b>

YEAR 4 - FY 2012  
 1/4 Increase of  
 remaining 50% ISER

School Districts	
ALASKA GATEWAY	157,381
ALEUTIAN REGION	21,075
ALEUTIANS EAST BOROUGH	237,579
ANCHORAGE	0
ANNETTE ISLAND	112,325
BERING STRAIT	1,089,473
BRISTOL BAY BOROUGH	50,295
CHATHAM	114,148
CHUGACH	25,063
COPPER RIVER	98,883
CORDOVA CITY	62,314
CRAIG CITY	81,681
DELTA/GREELY	127,989
DENALI BOROUGH	8,544
DILLINGHAM CITY	54,511
FAIRBANKS NORTH STAR BOROUGH	428,567
GALENA CITY	14,410
HAINES BOROUGH	73,307
HOONAH CITY	63,397
HYDABURG CITY	44,941
IDITAROD AREA	129,242
JUNEAU BOROUGH	682,153
KAKE CITY	61,232
KASHUNAMIUT	93,300
KENAI PENINSULA BOROUGH	1,475,778
KETCHIKAN GATEWAY BOROUGH	395,018
KLAWOCK CITY	54,567
KODIAK ISLAND BOROUGH	550,574
KUSPUK	182,841
LAKE AND PENINSULA BOROUGH	282,522
LOWER KUSKOKWIM	888,634
LOWER YUKON	1,120,517
MATANUSKA-SUSITNA BOROUGH	930,101
NENANA CITY	20,163
NOME CITY	112,098
NORTH SLOPE BOROUGH	552,967
NORTHWEST ARCTIC BOROUGH	655,097
PELICAN CITY	6,493
PETERSBURG CITY	160,286
PRIBILOF	42,607
SAINT MARY'S	67,498
SITKA BOROUGH	277,453
SKAGWAY CITY	4,727
SOUTHEAST ISLAND	91,021
SOUTHWEST REGION	248,630
TANANA	23,639
UNALASKA CITY	93,073
VALDEZ CITY	62,771
WRANGELL PUBLIC	65,504
YAKUTAT	62,143
YUKON FLATS	214,170
YUKON/KOYUKUK	175,095
YUPIIT	170,994
Mt. Edgecumbe	82,192
<b>Total</b>	<b>12,900,983</b>

YEAR 5 - FY 2013  
 1/4 Increase of  
 remaining 50% ISER

School Districts	
ALASKA GATEWAY	153,222
ALEUTIAN REGION	18,684
ALEUTIANS EAST BOROUGH	237,523
ANCHORAGE	0
ANNETTE ISLAND	109,534
BERING STRAIT	1,089,360
BRISTOL BAY BOROUGH	50,239
CHATHAM	114,090
CHUGACH	26,201
COPPER RIVER	88,003
CORDOVA CITY	66,016
CRAIG CITY	75,187
DELTA/GREELY	120,413
DENALI BOROUGH	0
DILLINGHAM CITY	45,397
FAIRBANKS NORTH STAR BOROUGH	321,482
GALENA CITY	7,177
HAINES BOROUGH	73,251
HOONAH CITY	63,453
HYDABURG CITY	42,492
IDITAROD AREA	129,185
JUNEAU BOROUGH	606,282
KAKE CITY	62,314
KASHUNAMIUT	90,054
KENAI PENINSULA BOROUGH	1,405,488
KETCHIKAN GATEWAY BOROUGH	413,814
KLAWOCK CITY	51,549
KODIAK ISLAND BOROUGH	506,489
KUSPUK	173,216
LAKE AND PENINSULA BOROUGH	272,155
LOWER KUSKOKWIM	807,864
LOWER YUKON	1,099,385
MATANUSKA-SUSITNA BOROUGH	697,531
NENANA CITY	15,664
NOME CITY	92,388
NORTH SLOPE BOROUGH	537,590
NORTHWEST ARCTIC BOROUGH	674,349
PELICAN CITY	5,696
PETERSBURG CITY	149,918
PRIBILOF	42,548
SAINT MARY'S	67,383
SITKA BOROUGH	244,073
SKAGWAY CITY	3,532
SOUTHEAST ISLAND	88,460
SOUTHWEST REGION	240,998
TANANA	24,265
UNALASKA CITY	85,496
VALDEZ CITY	43,859
WRANGELL PUBLIC	62,200
YAKUTAT	60,776
YUKON FLATS	214,112
YUKON/KOYUKUK	166,835
YUPIIT	165,526
Mt. Edgcomb	72,284
<b>Total</b>	<b>12,075,002</b>

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3  
Bill Version: CSHB 273(FIN)  
(H) Publish Date: 2/08/08

Identifier (file name): CSHB273:CSHB273-EED-ESS-02-11-08 Dept. Affected: Education & Early Development  
Title: An Act relating to school funding, funding for student transportation services, the base student allocation, ..... RDU: K-12 Support  
Sponsor: Representative Hawker Component: Pupil Transportation  
Requester: Senate Finance Component Number: 144

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		5,497.6	0.0	1,848.7	1,948.3			
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>5,497.6</b>	<b>0.0</b>	<b>1,848.7</b>	<b>1,948.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	5,497.6	0.0	1,848.7	1,948.3			
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>5,497.6</b>	<b>0.0</b>	<b>1,848.7</b>	<b>1,948.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This bill will recalibrate the per-child-cost for the Pupil Transportation Grants based on FY2007 actual expenditures. The recalibration also takes into account CPI increases for FY2008 and FY2009. Then in FY2010 and FY2011 increases each year are based on the Anchorage CPI index provided by the Department of Labor and Workforce Development.  
\*Based on FY09 Projected ADM

Prepared by: Eddy Jeans, Director  
Division: School Finance  
Approved by: Barbara Thompson, Interim Commissioner

Phone: 465-8679  
Date/Time: 2/6/08 12:00 AM  
Date: 2/6/2008

Department of Education & Early Development  
 Recalibration of Rates  
 Pupil Transportation  
 February 6, 2008

CSHB 273(FIN) - Fiscal Note #3

DISTRICT	FY2007 ADM	Audited State Revenues *	Audited Expenditures *	Difference	Recalibrated FY2009 per-child-cost w/ 08 & 09 CPI	FY2009 ADM	FY2009 Projection
ALASKA GATEWAY	374.10	459,021	550,000	(90,979)	1,566	338.25	529,700
ALEUTIAN REGION	42.00	N/A			0	39.00	0
ALEUTIANS EAST	233.00	51,959	57,928	(5,969)	265	262.00	69,430
ANCHORAGE	47,850.98	17,082,693	17,236,133	(153,440)	384	46,888.00	18,004,992
ANNETTE ISLAND	282.35	26,541	16,077	10,464	61	272.00	16,592
BERING STRAIT	1,672.45	73,588	70,487	3,101	45	1,674.00	75,330
BRISTOL BAY	188.10	367,899	386,335	(18,436)	2,187	171.00	373,977
CHATHAM	193.07	13,708	13,235	473	73	160.15	11,691
CHUGACH	66.70	N/A			0	73.00	0
COPPER RIVER	511.55	627,673	666,321	(38,648)	1,387	484.00	671,308
CORDOVA	420.50	73,167	109,644	(36,477)	278	393.00	109,254
CRAIG	347.55	127,551	86,948	40,603	266	338.70	90,094
DELTA/GREELY	883.15	1,083,625	1,171,651	(88,026)	1,413	862.00	1,218,006
DENALI	243.10	292,449	389,920	(97,471)	1,708	252.00	430,416
DILLINGHAM	531.43	449,058	508,895	(59,837)	1,020	512.00	522,240
FAIRBANKS	14,161.79	8,794,472	8,837,951	(43,479)	665	13,775.00	9,160,375
GALENA	226.55	51,200	51,200	0	241	240.00	57,840
HAINES	279.75	154,982	155,603	(621)	592	290.00	171,680
HOONAH	152.95	29,061	40,330	(11,269)	281	124.00	34,844
HYDABURG	79.60	N/A			0	76.00	0
IDITAROD	243.75	35,100	40,625	(5,525)	178	204.00	36,312
JUNEAU	5,072.47	1,983,328	2,500,921	(517,593)	525	4,925.00	2,585,625
KAKE	103.55	18,778	18,778	0	193	91.00	17,563
KASHUNAMIUT	339.20	3,392	1,470	1,922	5	332.00	1,660
KENAI PENINSULA	8,586.86	4,542,449	5,147,858	(605,409)	638	8,039.00	5,128,882
KETCHIKAN	2,225.30	1,250,619	1,432,984	(182,365)	686	2,248.00	1,542,128
KLAWOCK	140.45	27,669	27,669	0	210	134.00	28,140
KODIAK	2,554.32	1,159,661	1,342,090	(182,429)	560	2,590.00	1,450,400
KUSPUK	396.60	218,130	230,302	(12,172)	618	384.00	237,312
LAKE & PENINSULA	378.45	102,938	127,704	(24,766)	359	363.00	130,317
LOWER KUSKOKWIM	3,961.85	598,239	735,955	(137,716)	198	4,008.00	793,584
LOWER YUKON	1,968.30	3,937	1,568	2,369	1	2,042.75	2,043
MAT-SU	14,578.60	11,079,736	9,938,088	1,141,648	726	14,801.00	10,745,526
NENANA	215.05	126,449	106,984	19,465	530	215.00	113,950
NOME	744.55	278,462	257,550	20,912	368	798.00	293,664
NORTH SLOPE	1,623.00	731,973	1,365,373	(633,400)	896	1,615.00	1,447,040
NORTHWEST ARCTIC	1,976.15	45,451	39,227	6,224	21	1,943.00	40,803
PELICAN	14.95	957	957	0	68	17.00	1,156
PETERSBURG	588.55	140,708	144,500	(3,792)	261	548.00	143,028
PRIBILOF	123.00	N/A			0	111.00	0
ST. MARY'S	185.35	741	12,354	(11,613)	71	185.00	13,135
SITKA	1,417.77	586,957	537,524	49,433	404	1,335.00	539,340
SKAGWAY	99.50	3,085	3,195	(110)	34	100.00	3,400
SOUTHEAST ISLAND	184.90	226,872	180,594	46,278	1,040	151.00	157,040
SOUTHWEST REGION	673.65	218,930	357,671	(138,735)	565	661.10	373,522
TANANA	53.95	21,580	22,834	(1,254)	451	57.00	25,707
TINALASKA	385.75	210,234	221,759	(11,525)	612	400.00	244,800
VAL DE Z	748.35	360,705	441,918	(81,213)	629	716.00	450,364
WRANGELL	354.74	155,731	187,515	(31,784)	563	340.00	191,420
YAKUTAT	117.75	52,752	75,499	(22,747)	683	105.00	71,715
YUKON FLATS	265.88	69,660	59,147	10,513	237	283.59	67,211
YUKON-KOYUKUK	346.20	115,285	91,749	23,536	282	323.10	91,114
YUPIIT	458.25	917	917	0	2	493.00	980
<b>TOTALS</b>		<b>54,130,078</b>	<b>56,001,937</b>	<b>(1,871,859)</b>			<b>58,516,656</b>

\* Note: Recalibration is based on FY2007 Audited Financial Statements

FY2009 Budget 53,019,030  
 Difference 5,497,626

Department of Education & Early Development  
 Recalibration of Rates  
 Pupil Transportation  
 February 6, 2008

CSHB 273(FIN) - Fiscal Note #3

DISTRICT	FY2010 per-child-cost W/ CPI increase	FY2010 Projection W/ CPI increase	FY2011 per-child-cost W/ CPI increase	FY2011 Projection W/ CPI increase
ALASKA GATEWAY	1,616	546,612	1,668	564,201
ALEUTIAN REGION	0	0	0	0
ALEUTIANS EAST	273	71,526	282	73,884
ANCHORAGE	396	18,567,648	409	19,177,192
ANNETTE ISL/ NO	63	17,136	65	17,680
BERING STRAIT	46	77,004	47	78,678
BRISTOL BAY	2,257	385,947	2,329	398,259
CHATHAM	75	12,011	77	12,332
CHUGACH	0	0	0	0
COPPER RIVER	1,431	692,604	1,477	714,868
CORDOVA	287	112,791	296	116,328
CRAIG	275	93,143	284	96,191
DELTA/GREELY	1,458	1,256,796	1,505	1,297,310
DENALI	1,763	444,276	1,819	458,388
DILLINGHAM	1,053	539,136	1,087	556,544
FAIRBANKS	686	9,449,650	708	9,752,700
GALENA	249	59,760	257	61,680
HAINES	611	177,190	631	182,990
HOONAH	290	35,960	299	37,076
HYDABURG	0	0	0	0
IDITAROD	184	37,536	190	38,760
JUNEAU	542	2,669,350	559	2,753,075
KAKE	199	18,109	205	18,655
KASHUNAMIUT	5	1,660	5	1,660
KENAI PENINSULA	658	5,289,662	679	5,458,481
KE*CHIKAN	708	1,591,584	731	1,643,288
KLAWOCK	217	29,078	224	30,016
KODIAK	578	1,497,020	596	1,543,640
KUSPUK	638	244,992	658	252,672
LAKE & PENINSULA	370	134,310	382	138,666
LOWER KUSKOKWIM	204	817,632	211	845,688
LOWER YUKON	1	2,043	1	2,043
MAT-SU	749	11,085,949	773	11,441,173
NENANA	547	117,605	565	121,475
NOME	380	303,240	392	312,816
NORTH SLOPE	925	1,493,875	955	1,542,325
NORTHWEST ARCTIC	22	42,746	23	44,689
PELICAN	70	1,190	72	1,224
PETERSBURG	269	147,412	278	152,344
PRIBILOF	0	0	0	0
ST MARY'S	73	13,505	75	13,875
SITKA	417	556,695	430	574,050
SKAGWAY	35	3,500	36	3,600
SOUTHEAST ISLAND	1,073	162,023	1,107	167,157
SOUTHWEST REGION	583	385,421	602	397,982
TANANA	465	26,505	480	27,360
UNALASKA	632	252,800	652	260,800
VALDEZ	649	464,684	670	479,720
WRANGELL	581	197,540	600	204,000
YAKUTAT	705	74,025	728	76,440
YUKON FLATS	245	69,480	253	71,748
YUKON/KOYUKUK	291	94,022	300	96,930
YUPIIT	2	986	2	986
<b>TOTALS</b>		<b>60,365,369</b>		<b>62,313,639</b>

\* Note: Recalibration is based on FY2007 Audited Financial Statements

Difference  
 from prior year 1,848,713 1,948,270

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 273  
(H) Publish Date: 1/24/08

Identifier (file name): \_\_\_\_\_ Dept. Affected: Education & Early Development  
Title: An Act relating to school funding, the based student RDU: K-12 Support  
allocation, district cost factors, and the adjustments for... Component: AK Challenge Youth Academy  
Sponsor: Representative Hawker  
Requester: Joint Legislative Education Funding Task Force Component Number: 2837

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		161.8	0.0	161.8	161.8			
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>161.8</b>	<b>0.0</b>	<b>161.8</b>	<b>161.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		161.8	0.0	161.8	161.8	0.0	0.0	0.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>		<b>161.8</b>	<b>0.0</b>	<b>161.8</b>	<b>161.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

This bill would increase the BSA for the Alaska Challenge Youth Academy by \$100 for FY09 to \$5,480, FY10 to \$5,580, & FY11 to \$5,680. The resulting increase based on FY09 Projections is \$161,840 each year.

Prepared by: Eddy Jeans, Director  
Division: School Finance  
Approved by: Barbara Thompson, Interim Commissioner  
Education & Early Development

Phone: 465-8679  
Date/Time: 1/18/08 12:00 AM  
Date: 1/18/2008

**ALASKA CHALLENGE YOUTH ACADEMY**

**FY09 Projection**

206 x \$5380 x 7 =	7,757,960
294 x \$5380 x 60% =	949,032
less \$2,625,000	(2,625,000)
	<b>6,081,992</b>

**Proposed \$100 increase for FY09**

206 x \$5480 x 7 =	7,902,160
294 x \$5480 x 60% =	966,672
less \$2,625,000	(2,625,000)
	<b>6,243,832</b>

**Proposed FY09 INCREASE \$ 161,840**

*adopted  
2/29/08*

25-I.S0302VE.1  
Bullock  
2/21/08

AMENDMENT

1

*Stedman*

OFFERED IN THE SENATE  
TO: CSHB 61(FIN)

- 1 Page 3, lines 2 - 3:
- 2 Delete "the lesser of
- 3 (1) an amount equal to"
- 4
- 5 Page 3, line 4:
- 6 Delete "(A)"
- 7 Insert "(1)"
- 8
- 9 Page 3, line 5:
- 10 Delete "(B)"
- 11 Insert "(2)"
- 12
- 13 Page 3, lines 5 - 6:
- 14 Delete "; or
- 15 (2) 50 percent of the taxpayer's tax liability under this title"
- 16
- 17 Page 3, lines 21 - 22:
- 18 Delete ", in current or emerging employment sectors"
- 19
- 20 Page 7, line 28:
- 21 Delete "2008"
- 22 Insert "2009"

**CS FOR HOUSE BILL NO. 61(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/4/07**

**Referred: Rules**

**Sponsor(s): REPRESENTATIVES NEUMAN, Lynn, Buch, Harris, Foster, Nelson, Chennault, Wilson,  
Johansen, Roses, Dahlstrom, Joule, Seaton**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to tax credits for cash contributions by taxpayers that are accepted for  
2 certain educational purposes, including vocational education programs and courses at  
3 the secondary school level and to tax credits for cash contributions by tax payers that  
4 are accepted by a state-operated vocational technical education and training school; and  
5 providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* Section 1. AS 21.89.070 is repealed and reenacted to read:

8           **Sec. 21.89.070. Insurance tax education credit.** (a) A taxpayer is allowed a  
9 credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions  
10 accepted

11                           (1) for direct instruction, research, and educational support purposes,  
12 including library and museum acquisitions, and contributions to endowment, by an  
13 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or

1 four-year college accredited by a regional accreditation association;

2 (2) for secondary school level vocational education courses and  
3 programs by a school district in the state; and

4 (3) by a state-operated vocational technical education and training  
5 school.

6 (b) The amount of the credit is the lesser of

7 (1) an amount equal to

8 (A) 50 percent of contributions of not more than \$100,000; and

9 (B) 100 percent of the next \$100,000 of contributions; or

10 (2) 50 percent of the taxpayer's tax liability under this title.

11 (c) Each public college and university shall include in its annual operating  
12 budget request contributions received and how the contributions were used.

13 (d) A contribution claimed as a credit under this section may not

14 (1) be claimed as a credit under more than one provision of this title;

15 and

16 (2) when combined with credits taken during the taxpayer's tax year  
17 under AS 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018,  
18 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

19 (e) In this section,

20 (1) "school district" has the meaning given in AS 14.03.126;

21 (2) "vocational education" has the meaning given in AS 43.20.014.

22 \* **Sec. 2.** AS 43.20.014 is repealed and reenacted to read:

23 **Sec. 43.20.014. Income tax education credit.** (a) A taxpayer is allowed a  
24 credit against the tax due under this chapter for cash contributions accepted

25 (1) for direct instruction, research, and educational support purposes,  
26 including library and museum acquisitions, and contributions to endowment, by an  
27 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
28 four-year college accredited by a regional accreditation association;

29 (2) for secondary school level vocational education courses and  
30 programs by a school district in the state; and

31 (3) by a state-operated vocational technical education and training

1 school.

2 (b) The amount of the credit is the lesser of

3 (1) an amount equal to

4 (A) 50 percent of contributions of not more than \$100,000; and

5 (B) 100 percent of the next \$100,000 of contributions; or

6 (2) 50 percent of the taxpayer's tax liability under this title.

7 (c) Each public college and university shall include in its annual operating  
8 budget request contributions received and how the contributions were used.

9 (d) A contribution claimed as a credit under this section may not

10 (1) be claimed as a credit under another provision of this title;

11 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax  
12 imposed by this chapter; and

13 (3) when combined with credits taken during the taxpayer's tax year  
14 under AS 21.89.070, 21.89.075, AS 43.55.019, AS 43.56.018, AS 43.65.018,  
15 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

16 (e) In this section,

17 (1) "school district" has the meaning given in AS 14.03.126;

18 (2) "vocational education" means organized educational activities that  
19 offer a sequence of courses that provides individuals with the academic and technical  
20 knowledge and skills the individuals need to prepare for further education and for  
21 careers other than careers requiring a baccalaureate, master's, or doctoral degree, in  
22 current or emerging employment sectors.

23 \* **Sec. 3.** AS 43.55.019 is repealed and reenacted to read:

24 **Sec. 43.55.019. Oil or gas producer education credit.** (a) A producer of oil  
25 or gas is allowed a credit against the tax due under this chapter for cash contributions  
26 accepted

27 (1) for direct instruction, research, and educational support purposes,  
28 including library and museum acquisitions, and contributions to endowment, by an  
29 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
30 four-year college accredited by a regional accreditation association;

31 (2) for secondary school level vocational education courses and

1 programs by a school district in the state; and

2 (3) by a state-operated vocational technical education and training  
3 school.

4 (b) The amount of the credit is

5 (1) 50 percent of contributions of not more than \$100,000; and

6 (2) 100 percent of the next \$100,000 of contributions.

7 (c) Each public college and university shall include in its annual operating  
8 budget request contributions received and how the contributions were used.

9 (d) A contribution claimed as a credit under this section may not

10 (1) be claimed as a credit under another provision of this title; and

11 (2) when combined with credits taken during the taxpayer's tax year  
12 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.56.018, AS 43.65.018,  
13 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

14 (e) The department may, by regulation, establish procedures by which a  
15 taxpayer may allocate a pro rata share of a credit claimed under this section against  
16 monthly tax payments made during the tax year.

17 (f) In this section,

18 (1) "school district" has the meaning given in AS 14.03.126;

19 (2) "vocational education" has the meaning given in AS 43.20.014(e).

20 \* Sec. 4. AS 43.56.018 is repealed and reenacted to read:

21 **Sec. 43.56.018. Property tax education credit.** (a) The owner of property  
22 taxable under this chapter is allowed a credit against the tax due under this chapter for  
23 cash contributions accepted

24 (1) for direct instruction, research, and educational support purposes,  
25 including library and museum acquisitions, and contributions to endowment, by an  
26 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
27 four-year college accredited by a regional accreditation association;

28 (2) for secondary school level vocational education courses and  
29 programs by a school district in the state; and

30 (3) by a state-operated vocational technical education and training  
31 school.

1 (b) The amount of the credit is

2 (1) 50 percent of contributions of not more than \$100,000; and

3 (2) 100 percent of the next \$100,000 of contributions.

4 (c) Each public college and university shall include in its annual operating  
5 budget request contributions received and how the contributions were used.

6 (d) A contribution claimed as a credit under this section may not

7 (1) be claimed as a credit under another provision of this title; and

8 (2) when combined with credits taken during the taxpayer's tax year  
9 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.65.018,  
10 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

11 (e) In this section,

12 (1) "school district" has the meaning given in AS 14.03.126;

13 (2) "vocational education" has the meaning given in AS 34.20.014(e).

14 \* Sec. 5. AS 43.65.018 is repealed and reenacted to read:

15 **Sec. 43.65.018. Mining business education credit.** (a) A person engaged in  
16 the business of mining in the state is allowed a credit against the tax due under this  
17 chapter for cash contributions accepted

18 (1) for direct instruction, research, and educational support purposes,  
19 including library and museum acquisitions, and contributions to endowment, by an  
20 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
21 four-year college accredited by a regional accreditation association;

22 (2) for secondary school level vocational education courses and  
23 programs by a school district in the state; and

24 (3) by a state-operated vocational technical education and training  
25 school.

26 (b) The amount of the credit is

27 (1) 50 percent of contributions of not more than \$100,000; and

28 (2) 100 percent of the next \$100,000 of contributions.

29 (c) Each public college and university shall include in its annual operating  
30 budget request contributions received and how the contributions were used.

31 (d) A contribution claimed as a credit under this section may not

1 (1) be claimed as a credit under another provision of this title; and

2 (2) when combined with credits taken during the taxpayer's tax year  
3 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018,  
4 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

5 (e) In this section,

6 (1) "school district" has the meaning given in AS 14.03.126;

7 (2) "vocational education" has the meaning given in AS 43.20.014(e).

8 \* Sec. 6. AS 43.75.018 is repealed and reenacted to read:

9 **Sec. 43.75.018. Fisheries business education credit.** (a) A person engaged in  
10 a fisheries business is allowed a credit against the tax due under this chapter for cash  
11 contributions accepted

12 (1) for direct instruction, research, and educational support purposes,  
13 including library and museum acquisitions, and contributions to endowment, by an  
14 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
15 four-year college accredited by a regional accreditation association;

16 (2) for secondary school level vocational education courses and  
17 programs by a school district in the state; and

18 (3) by a state-operated vocational technical education and training  
19 school.

20 (b) The amount of the credit is

21 (1) 50 percent of contributions of not more than \$100,000; and

22 (2) 100 percent of the next \$100,000 of contributions.

23 (c) Each public college and university shall include in its annual operating  
24 budget request contributions received and how the contributions were used.

25 (d) A contribution claimed as a credit under this section may not

26 (1) be claimed as a credit under another provision of this title; and

27 (2) when combined with credits taken during the taxpayer's tax year  
28 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018,  
29 AS 43.65.018, or AS 43.77.045, exceed \$150,000.

30 (e) In this section,

31 (1) "school district" has the meaning given in AS 14.03.126;

1 (2) "vocational education" has the meaning given in AS 42.20.014(e).

2 \* Sec. 7. AS 43.77.045 is repealed and reenacted to read:

3 **Sec. 43.77.045. Floating fisheries business education credit.** (a) In addition  
4 to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries  
5 business is allowed a credit against the tax due under this chapter for cash  
6 contributions accepted

7 (1) for direct instruction, research, and educational support purposes,  
8 including library and museum acquisitions, and contributions to endowment, by an  
9 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
10 four-year college accredited by a regional accreditation association;

11 (2) for secondary school level vocational education courses and  
12 programs by a school district in the state; and

13 (3) by a state-operated vocational technical education and training  
14 school.

15 (b) The amount of the credit is

16 (1) 50 percent of contributions of not more than \$100,000; and

17 (2) 100 percent of the next \$100,000 of contributions.

18 (c) Each public college and university shall include in its annual operating  
19 budget request contributions received and how the contributions were used.

20 (d) A contribution claimed as a credit under this section may not

21 (1) be claimed as a credit under another provision of this title; and

22 (2) when combined with credits taken during the taxpayer's tax year  
23 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018,  
24 AS 43.65.018, or AS 43.75.018, exceed \$150,000.

25 (e) In this section,

26 (1) "school district" has the meaning given in AS 14.03.126;

27 (2) "vocational education" has the meaning given in AS 43.20.014(e).

28 \* Sec. 8. This Act takes effect January 1, 2008.

# Representative Mike Hawker

## Alaska State Legislature



### House Bill 273 Sponsor Statement CS HB 273 (FIN)

*Session:*

State Capitol  
Juneau, AK 99801  
907 465-4949 direct  
800 478-4950 toll free  
907 465-4979 fax

*Interim:*

716 W 4<sup>th</sup> Avenue  
Anchorage, AK 99501  
907 269-0244 office  
907 269-0248 fax

*Member:*

House Finance Committee  
Legislative Budget  
& Audit Committee

*House District 32:*

Eagle River  
Anchorage  
Rainbow  
Indian  
Bird  
Girdwood  
Portage  
Whitier  
Summit  
Hope

### Short Title: Education Funding

HB 273 enacts the three year education funding plan recommended by the Joint Legislative Education Funding Task Force. The bill makes the following changes to our education funding formula statutes:

**Pupil Transportation:** Recalibrates the funding for pupil transportation based on the most recent audits by the Department of Education and Early Development. The amounts will be adjusted according to the Consumer Price Index (CPI) for Anchorage. This change allows the funding to match the amounts agreed to in contract. The CPI adjustment will sunset in 2011, which is when the current contracts expire. The projected cost for FY09 is \$5,497,600.

**Declining Enrollment:** New statute that provides for a "step-down" for declining enrollment over three years. If the current ADM decreases by five percent or more from the previous year's ADM, the district can add 75% of the difference in the first year, 50% of the difference in the second year and 25% difference in the third year to their ADM. This step-down mechanism would not apply to a loss resulting from a boundary change under AS 29. The projected cost for FY09 is \$422,994.

**Intensive Needs Students:** Currently, school districts receive five (5) times the BSA for each intensive needs student. HB 273 would increase that amount to Nine (9) times BSA multiplier for fiscal year 2009 (+\$35.4 million); eleven (11) times for fiscal year 2010 (+\$18 million) and thirteen (13) times for fiscal year 2011 (+\$18.3 million) and beyond.

**District Cost Factors:** HB 273 would phase in 50% of the ISER factors in fiscal year 2009, with the remaining 50% implemented over the four subsequent fiscal years. FY09: +\$48.9 million; FY10: +\$12.6 million; FY11: +\$12.8 million; FY12: +\$13 million; FY13: \$12.2 million.

**Base Student Allocation:** HB 273 would increase the BSA by \$100 per year from FY08 levels for the next 3 fiscal years. FY09: +\$22.3 million; FY10: +\$22.8 million; FY11: \$23.4 million.

# Representative Mike Hawker

## Alaska State Legislature



### CHANGES TO HOUSE BILL 273

#### House Finance Committee

Adopted an amendment to add sections 1, 2 and 11, which recalibrates the funding for pupil transportation based on the most recent audits by the Department of Education and Early Development. The amounts will be adjusted according to the Consumer Price Index (CPI) for Anchorage. This change allows the funding to match the amounts agreed to in contract. The CPI adjustment will sunset in 2011, which is when the current contracts expire.

#### *Session:*

State Capitol  
Juneau, AK 99801  
907-465-4949 direct  
800-478-4950 toll free  
907-465-4979 fax

#### *Interim:*

716 W 4<sup>th</sup> Avenue  
Anchorage, AK 99501  
907-269-0244 office  
907-269-0248 fax

#### *Member:*

*House Finance Committee  
Legislative Budget  
& Audit Committee*

#### *House District 32:*

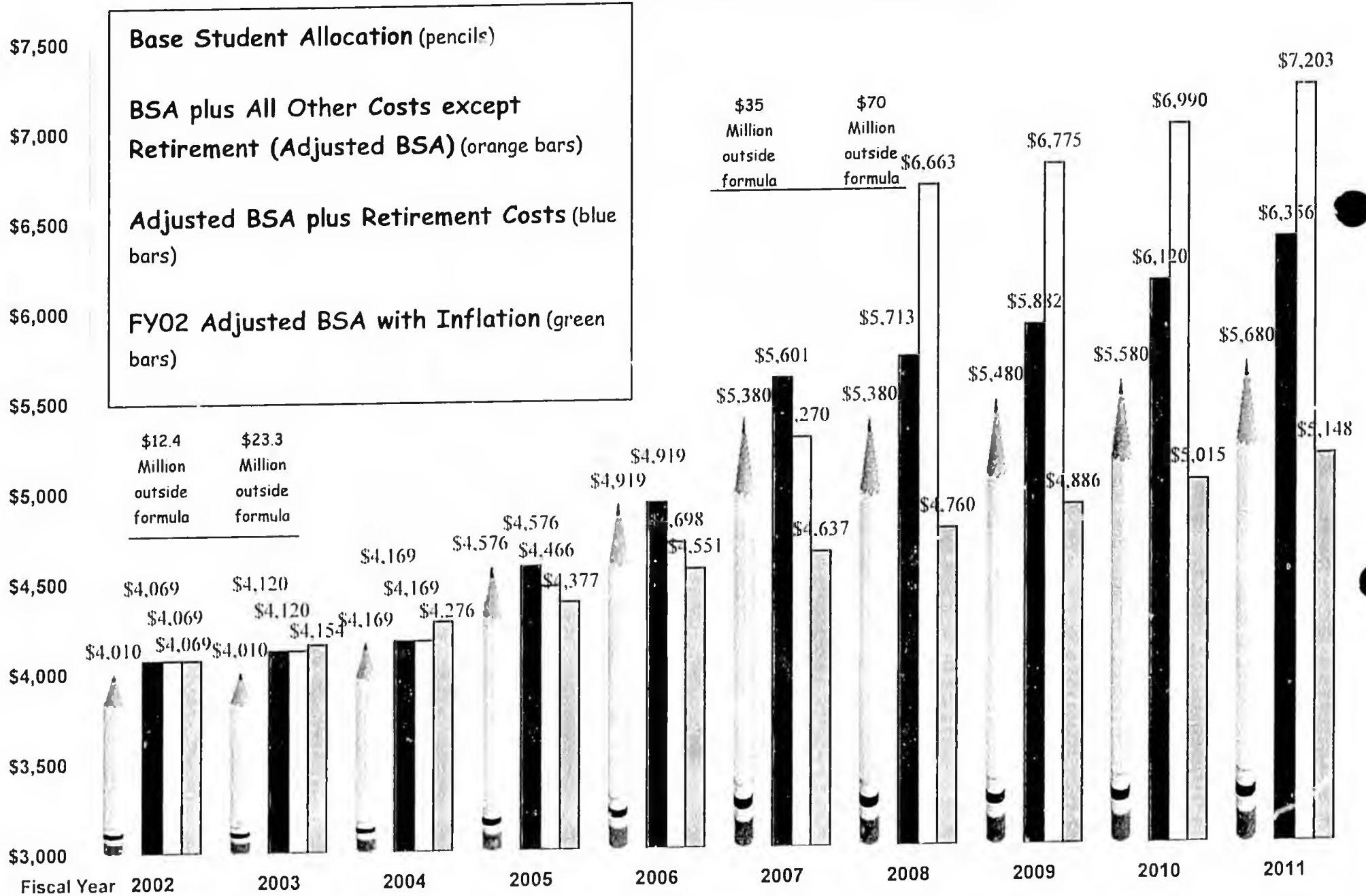
*Eagle River  
Anchorage  
Rainbow  
Indian  
Bird  
Girdwood  
Portage  
Whittier  
Sunrise  
Hope*

**CS HB 273 (FIN)**  
**Sectional Analysis**

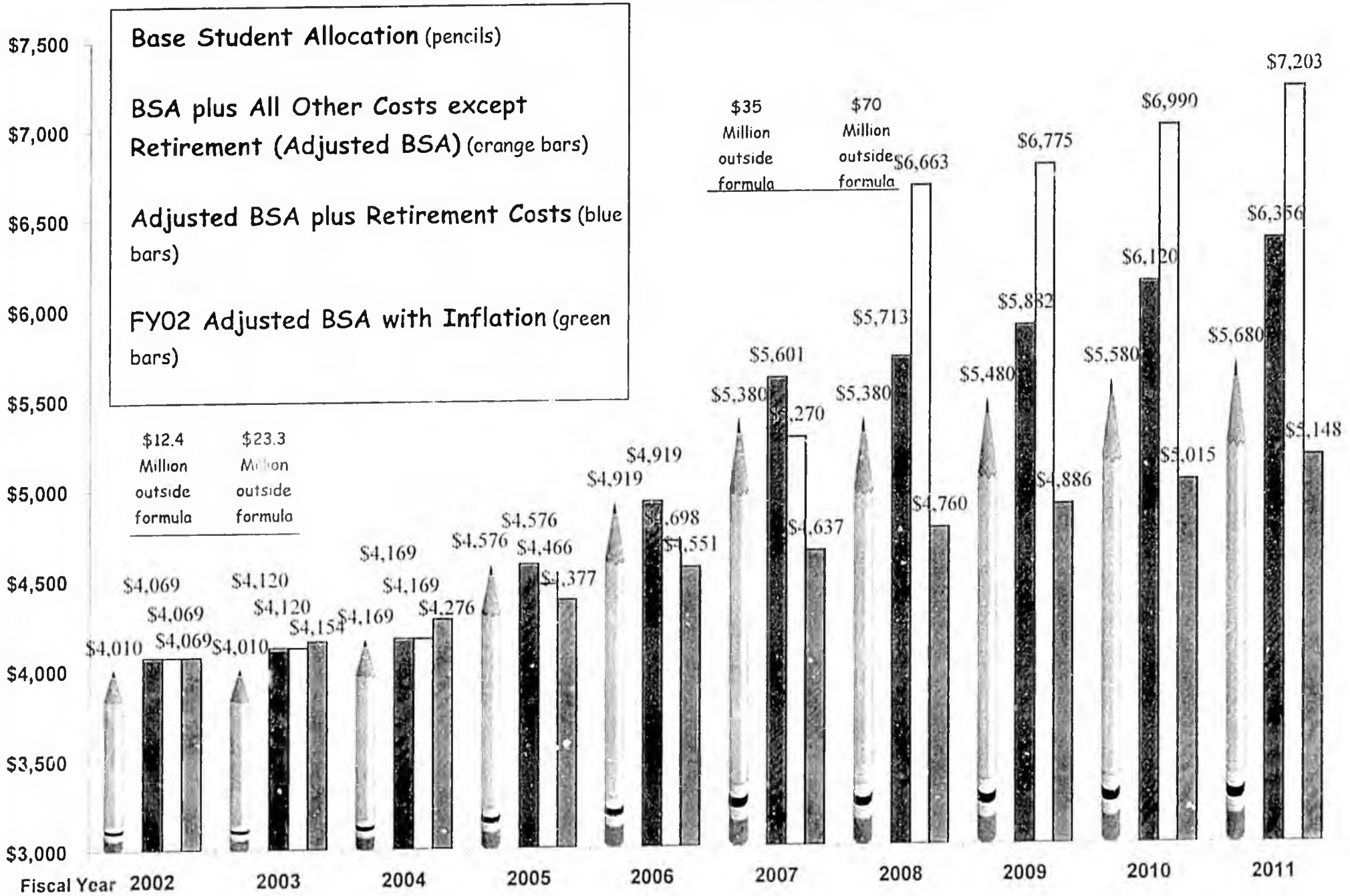
Prepared by Representative Mike Hawker's Office

- Section 1:** Recalibrates the funding for pupil transportation based on the most recent audits by the Department of Education and Early Development.
- Section 2:** Adjusts the pupil transportation amounts in section 1 according to the Consumer Price Index (CPI) for Anchorage. This change allows the funding to match the amounts agreed to in contract.
- Section 3:** Creates a new section in our public school funding statutes that provides a "step-down" for declining enrollment over three years. If the current ADM decreases by five percent or more from the previous year's ADM, the district can add 75% of the difference in the first year, 50% of the difference in the second year and 25% difference in the third year to their ADM. This step-down mechanism would not apply to a loss resulting from a boundary change under AS 29. Effective Date: July 1, 2008.
- Section 4:** Increases intensive needs funding from five times to nine times the Base Student Allocation. Effective Date: July 1, 2008.
- Section 5:** Increases intensive needs funding from nine times to 11 times the Base Student Allocation. Effective Date: July 1, 2009.
- Section 6:** Increases intensive needs funding from 11 times to 13 times the Base Student Allocation. Effective Date: July 1, 2010.
- Section 7:** Phases in the ISER recommendations to change the District Cost Factor. In FY09, 50% of ISER is implemented, with the remaining 50% implemented over the four subsequent fiscal years.
- Section 8:** Increases the Base Student Allocation by \$100, to \$5,480. Effective Date: July 1, 2008.
- Section 9:** Increases the Base Student Allocation by \$100, to \$5,580. Effective Date: July 1, 2009.
- Section 10:** Increases the Base Student Allocation by \$100, to \$5,680. Effective Date: July 1, 2010.
- Section 11:** Sunset for the CPI portion of the pupil transportation costs enacted by Section 2 of this bill. The sunset date of June 30, 2011 coincides with the end of the current contract.
- Section 12:** Effective date of July 1, 2008 for sections 3, 4, 7, and 8.
- Section 13:** Effective date of July 1, 2009 for sections 5 and 9.
- Section 14:** Effective date of July 1, 2010 for sections 6 and 10.

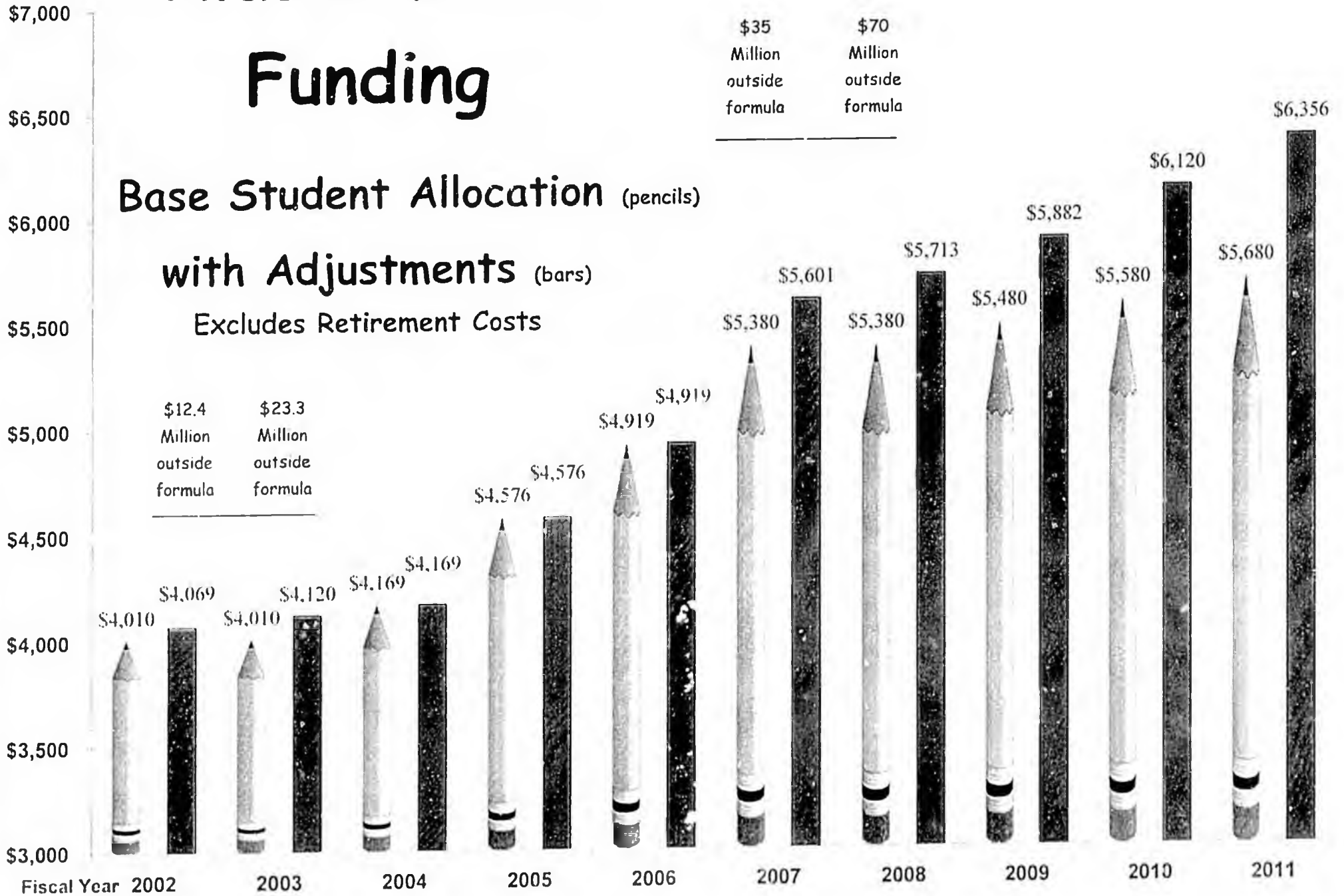
# Alaska K-12 Foundation Funding



# Alaska K-12 Foundation Funding



# Alaska K-12 Funding



**K-12 Foundation Formula Funding--State of Alaska FY2002 through FY2011**

Year	Base Student Allocation (BSA)	% change	Formula Additions Not in BSA	Formula Additions	BSA Increase	Cost of BSA Increase	Formula Additions as a % of BSA Increase	Additions Converted to BSA Equivalent	Adjusted BSA	Increase in Adjusted BSA since FY02	Percentage Increase in Adjusted BSA since FY02	Years since FY02	Increase in Adjusted BSA	Average Annual Increase in Adjusted BSA	Average Annual Increase in Adjusted BSA	CPI	Average Inflation Factor	Inflation since FY02	Retirement (Estimated)	Retirement as a % of BSA Increase	Retirement Converted to BSA Equivalent	Adjusted BSA (with Retirement)	cpi adj	Inflation Adjusted BSA
2002	\$ 4,010	0.0%	12.4	Learning Opportunity Grants	70	14.8	84%	59	\$ 4,069							156.8						\$ 4,069		\$ 4,069
2003	\$ 4,610	0.0%	23.3	Learning Opportunity Grants	70	14.8	157%	110	\$ 4,120	\$ 52	1%	1	1.01	1.012571	1.3%	160.1						\$ 4,120	1.09105	\$ 4,154
2004	\$ 4,169	4.0%							\$ 4,169	\$ 100	2%	2	1.02	1.012257	1.2%	164.8						\$ 4,169	1.02636	\$ 4,276
2005	\$ 4,576	14.1%							\$ 4,576	\$ 507	12%	3	1.12	1.030348	4.0%	168.7			-21	-24%	(110)	\$ 4,466	1.02367	\$ 4,377
2006	\$ 4,919	22.7%							\$ 4,919	\$ 850	21%	4	1.21	1.048592	4.9%	175.4			-46	-46%	(221)	\$ 4,698	1.03972	\$ 4,551
2007	\$ 5,380	34.2%	45	District Cost Factors (DCFs) and School Improvement Grants	481	99	48%	221	\$ 5,601	\$ 1,512	38%	5	1.38	1.06501	6.6%	178.7	1.026492		-69	-72%	(331)	\$ 5,270	1.01681	\$ 4,617
2008	\$ 5,380	34.2%	70	District Cost Factors (DCFs) and School Improvement Grants	461	97	72%	333	\$ 5,713	\$ 1,644	40%	6	1.40	1.05193	5.8%	183.434			200	200%	951	\$ 6,663	1.02649	\$ 4,760
2009	\$ 5,480	36.7%	90.1	DCF and Intensive Needs	200	44.8	201%	402	\$ 5,882	\$ 1,814	45%	7	1.45	1.054072	5.4%	188.294	1.0265%	20%	200	440%	893	\$ 6,775	1.02649	\$ 4,856
2010	\$ 5,580	39.2%	124.2	DCF and Intensive Needs	200	46	210%	540	\$ 6,120	\$ 2,051	50%								200	435%	870	\$ 6,990	1.02649	\$ 5,015
2011	\$ 5,680	41.8%	159.5	DCF and Intensive Needs	200	47.2	338%	676	\$ 6,356	\$ 2,287	56%								200	424%	847	\$ 7,203	1.02649	\$ 5,148
																31.4938 since FY02								
FY09 Additions to formula		90.1																						
FY09 Retirement Costs		216.4																						
Total		306.5																						

**Question: How much has state spending for education increased since FY2002?**

**Method 1--Total Spending**

643.2 FY02 GF spending for foundation  
 1,214.0 FY02 GF (at Ed Task Force Recommendations plus retirement costs) no debt reimbursement  
 570.8 increase  
 89% percent increase in 7 years  
 9.5% percent annual growth rate

**on a per student basis**

132,689.66 FY02 ADM  
 128,575.39 FY09 ADM  
 \$ 4,848 Per ADM in FY02  
 \$ 9,442 Per ADM in FY09  
 \$ 4,594 increase in per student funding  
 95% increase in per student funding

**Inflation adjusted**

\$ 772 Inflation adjusted FY02 Spending  
 \$ 5,622 Inflation adjusted spending per ADM in FY09  
 \$ 3,629 inflation adjusted increase in per student funding  
 62% increase in per student funding

**Method 2--Increases in the BSA**

(This method is shown on DEED's "pencil chart")  
 The pencil chart has been modified to reflect the Education Task Force Recommended \$100 increase in the BSA  
 The BSA alone does not reflect K-12 funding increases because significant funding has occurred outside the BSA  
 After adjusting for "outside" funding, K-12 funding has increased 41% since FY02, for an annual growth rate of 5.4%  
 Retirement contribution rates have changed since FY02, which affects effective funding in the intermediate years but does not affect the start-to-end funding rates of FY02 vs FY09--rates have been rolled back to FY02 levels  
 Annual inflation since FY02 has averaged 2.85%, so K-12 funding has grown at twice the rate of inflation since FY02

**Method 3--Include Retirement Costs**

The above analysis is a "money in the classroom" view  
 Money also went to cover the amount K-12 education costs the state  
 The cost of education includes retirement costs which have been inflated since FY02  
 but this money goes directly to retirement accounts and is excluded from the "classroom" analysis  
 Large retirement contributions on behalf of school districts in FY09 is 3.7% more  
 If that money were distributed to districts, the BSA would be 8,850  
 This is a 88% increase in K-12 funding since FY02 (or 7.7% annually)

**K-12 Foundation Formula Funding--State of Alaska FY2002 through FY2011**

Year	Base Student Allocation (BSA)	% change	Formula Additions Not In BSA	Formula Additions	BSA Increase	Cost of BSA Increase	Formula Additions as a % of BSA Increase	Additions Converted to BSA Equivalent	Adjusted BSA	Increase In Adjusted BSA since FY02	Percentage Increase In Adjusted BSA since FY02	Years since FY02	Increase In Adjusted BBA	Average Annual Increase In Adjusted BSA	Average Annual Increase In Adjusted BSA	CPI	Average Inflation Factor	Inflation since FY02	Retirement (Estimated)	Retirement as a % of BSA Increase	Retirement Converted to BSA Equivalent	Adjusted BSA (with Retirement)	cpi adj	Inflation Adjusted BSA	
2002	\$ 4,010	0.0%	12.4	Learning Opportunity Grants	70	14.8	84%	59	\$ 4,069	\$ 52	1%	1	1.01	1.012671	1.3%	156.8						\$ 4,069		\$ 4,069	
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2004	\$ 4,169	4.0%							\$ 4,169	\$ 507	12%	3	1.12	1.039849	4.0%	168.7						\$ 4,169	1.02936	\$ 4,276	
2005	\$ 4,576	14.1%							\$ 4,576	\$ 850	21%	4	1.21	1.048592	4.0%	175.4						(110)	\$ 4,466	1.02367	\$ 4,377
2006	\$ 4,919	22.7%							\$ 4,919	\$ 850	21%	4	1.21	1.048592	4.0%	175.4						(221)	\$ 4,698	1.03972	\$ 4,551
2007	\$ 5,380	34.2%	46	District Cost Factors (DCF) and School Improvement Grants	461	96	48%	221	\$ 5,601	\$ 1,532	38%	5	1.38	1.06601	6.6%	178.7	1.078492					(301)	\$ 5,270	1.01881	\$ 4,837
2008	\$ 5,380	34.2%	70	District Cost Factors (DCF) and School Improvement Grants	481	97	72%	333	\$ 5,713	\$ 1,644	43%	6	1.40	1.058183	5.8%	183.434						200	\$ 6,663	1.02649	\$ 4,700
2009	\$ 5,480	38.7%	90.1	DCF and Intensive Needs	200	44.8	201%	402	\$ 5,882	\$ 1,814	45%	7	1.45	1.054072	5.4%	188.294	102.65%	20%				200	\$ 6,775	1.02649	\$ 4,886
2010	\$ 5,580	39.2%	124.2	DCF and Intensive Needs	200	46	270%	540	\$ 6,120	\$ 2,051	50%											200	\$ 6,990	1.02649	\$ 5,015
2011	\$ 5,680	41.6%	159.5	DCF and Intensive Needs	200	47.2	338%	676	\$ 6,358	\$ 2,287	56%											200	\$ 7,203	1.02649	\$ 5,148
Education Task Force Recommendations																31.4938	since FY02								
FY09 Additions to formula		90.1																							
FY09 Retirement Costs		216.4																							
Total		306.5																							

**Question: How much has state spending for education increased since FY2002?**

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843.2 FY02 GF spending for foundation  
 1,214.0 FY09 GF (at Ed Task Force Recommendations plus retirement costs) no debt reimbursement  
 570.8 increase  
 89% percent increase in 7 years  
 9.5% percent annual growth rate

**on a per student basis**

132,669.68 FY02 ADM  
 128,575.39 FY09 ADM  
 \$ 4,848 Per ADM in FY02  
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 \$ 4,594 Increase in per student funding  
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\$ 772 Inflation adjusted FY02 Spending  
 \$ 5,822 Inflation adjusted spending per ADM in FY02  
 \$ 3,620 inflation adjusted increase in per student funding  
 62% increase in per student funding

**Method 2--Increases in the BSA**

(This method is shown on DEED's "pencil chart")  
 The pencil chart has been modified to reflect the Education Task Force Recommended \$100 increase in the BSA

The BSA alone does not reflect K-12 funding increases because significant funding has occurred outside the BSA

After adjusting for "outside" funding, K-12 funding has increased 45% since FY02, for an annual growth rate of 7.4%

Retirement contribution rates have changed since FY02, which alters effective funding in the intermediate years but does not affect the "start-to-end" comparison of FY02 to FY09--rates have been rolled back to FY02 levels

Annual inflation since FY02 has averaged 2.65%, so K-12 funding has grown at twice the rate of inflation since FY02.

**Method 3--Include Retirement Costs**

The above analysis is a "money in the classroom" view. May also want to look at the amount K-12 education costs the state.

The cost of education includes retirement costs which have skyrocketed since FY02 but this money goes directly to retirement accounts and is excluded from the "classroom" analysis.

State retirement contributions on behalf of school districts in FY09 is \$216 million. If that money were distributed to districts, the BSA would be \$6,950. This is a 68% increase in K-12 funding since FY02 (or 7.7% annually).

# ALASKA STATE LEGISLATURE



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Wasilla, Alaska 99654  
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(907) 376-3157 Fax

Session:  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
Fax (907) 465-3025

Senator..Lyda\_Green@legis.state.ak.us

**SENATOR LYDA GREEN**  
PRESIDENT OF THE SENATE

Toll Free: 1-877-465-6601

February 20, 2008

Representative Mike Hawker  
Former Chairman  
Joint Legislative Education Funding Task Force  
Alaska State Capitol, Room 502  
Juneau, Alaska 99801

RE: HB273

Dear Representative Hawker,

Thank you very much for considering our request to reevaluate and reconfirm the pupil transportation calculations included in HB273. Initially, our local school district raised concerns regarding the calculations, but throughout the day, those concerns were alleviated through further explanation and clarification by the Department of Education and Early Development.

Following several discussions today with Mat-Su Superintendent George Troxel and other staff from the Mat-Su School District and representatives from the Alaska Department of Education's School Finance and Facilities Section, Superintendent Troxel has informed us that he has decided *not* to contest the calculations contained in HB273.

Due to the decision of the Mat-Su School District to not contest the calculations, we no longer have questions regarding the pupil transportation numbers contained in HB273. Representative Hawker, we greatly appreciate your attention to detail and your willingness to accommodate our questions and our district's need for clarification.

Thank you for your immediate response to our concerns and for considering our request.

Sincerely,

A handwritten signature in cursive script that reads "Lyda Green".

Senator Lyda Green  
President of the Senate

A handwritten signature in cursive script that reads "Charlie Huggins".

Senator Charlie Huggins  
Chairman, Senate Resources Committee



Resolution of The State Board of Education & Early Development

*Joint Legislative Education Funding Task Force*

**Resolution 01-2008**

The Joint Legislative Education Funding Task Force, convening in the summer of 2007, diligently examined Alaska's school funding formula and related statutes and regulations; and

The Task Force recommended adjustments to the formula so that schools are funded fairly and adequately; and

The Task Force recommended an increase in the base student allocation in each of the next three years; and

The Task Force, recognizing that schools across the state face differing costs for the same goods and services, recommended phasing in of increases to the district cost factors; and

The Task Force, recognizing the costs to school districts of serving students with intensive needs, recommended a series of increases in intensive needs funding; and

The Task Force, recognizing school districts' increased costs in providing pupil transportation, recommended the state provide more grant funds for this purpose; and

The Task Force, recognizing the need for school districts to prepare their budgets in a timely manner, recommended that the Alaska State Legislature appropriate funds for education by the 60<sup>th</sup> legislative day; and

The Task Force -- recognizing that publicly funded charter schools, correspondence schools and home-schooling are integral to providing a broad spectrum of school alternatives -- recommended that legislative Standing Committees on Education make certain that those programs are fairly and adequately funded; so

THEREFORE, BE IT RESOLVED, the State Board of Education & Early Development hereby expresses deep appreciation for the efforts of the Joint Legislative Education Funding Task Force on behalf of Alaska's school children and strongly endorses the Task Force's recommendations and Governor Sarah Palin's proposal to implement it.

A handwritten signature in cursive script that reads "Esther J. Cox". The signature is written in black ink and is positioned above the typed name.

Esther Cox, Chair  
On behalf of the State Board of Education  
& Early Development

January 25, 2008

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM # 38 (2007-2008)

September 10, 2007

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: ASD RESOLUTION IN SUPPORT OF THE JOINT LEGISLATIVE  
EDUCATION FUNDING TASK FORCE REPORT

*ASD GOAL: Ensure public accountability through effective communication with  
students, staff, parents, community and government at all levels*

RECOMMENDATION:

It is the School Board Legislative Subcommittee's recommendation that the Anchorage School Board approve the attached resolution in support of the work and recommendations of the Joint Legislative Education Funding Task Force. It is further recommended that, once approved, the Superintendent transmit copies of this resolution to the Governor and to all members of the Alaska State Legislature.

PERTINENT FACTS:

The Joint Legislative Education Funding Task Force (JLETF) was established by Senate Concurrent Resolution 11 in the first session of the Twenty-fifth Alaska State Legislature for the purpose of examining school district cost differentials and the existing formula for distributing state aid for education. The JLETF was directed to submit a report of its findings and proposed legislative changes to the governor and the legislature by September 1, 2007 and was authorized to make any additional reports it considered advisable.

The JLETF met throughout the summer in a series of open meetings to examine the issues, hear public comment, and draft recommendations. The Anchorage School Board and the Administration were well represented at every meeting of the task force. The process was decidedly positive and was characterized by a respectful and candid sharing of ideas. Task force members listened attentively

to public comment as reflected by consistently thoughtful questions and by the reflection of districts' concerns in the final report and recommendations.

Key among these recommendations are the following: a substantial increase in the amount of intensive needs funding phased in over a period of years, the phasing in of the ISER cost differentials, the creation of standing education committees in the House and Senate to oversee and review education issues in the state, and an increase in the base student allocation set in statute for the next three years to provide some stability in funding for districts.

The Anchorage School District provided compelling testimony during the committee's public hearings that the minimum increase of \$100 per year in the base student allocation noted in the JLETF report would be approximately half of what the district would need to maintain existing programs, even with the proposed increases to the intensive needs multiplier, and requested an increase of \$200 per year to keep up with projected costs.

The Anchorage School District has seen steadily increasing student achievement for the past three years in every student subgroup in both language arts and math. Maintaining adequate funding is critical to our continued success in increasing student achievement and to meeting the ever-increasing requirements of the No Child Left Behind Act.

The Anchorage School District is appreciative of the work of the Joint Legislative Education Funding Task Force under the steady and responsive leadership of Chairman Mike Hawker and is pleased to offer this resolution in support of the work and recommendations of the task force.

Attachment

Prepared and Approved by: Carol Comeau, Superintendent

ANCHORAGE SCHOOL BOARD  
ASDR 2007-2008-02

A RESOLUTION IN SUPPORT OF THE WORK AND THE  
RECOMMENDATIONS OF THE JOINT LEGISLATIVE EDUCATION  
FUNDING TASK FORCE REPORT

WHEREAS, The Joint Legislative Education Funding Task Force met regularly over the summer; and

WHEREAS, the Task Force accepted public testimony, and openly discussed and debated the merits of different changes to the education funding formula; and

WHEREAS, the Task Force has prepared a report to the Legislature and the Governor; and

WHEREAS, implementation of the Task Force recommendations will improve public education in the State of Alaska and provide local school districts with a more equitable and stable funding scheme; and

WHEREAS, in the creation of the report, compromises were made to reach a generally acceptable consensus; and

WHEREAS, the Task Force specifically discussed that the Base Student Allocation amount would be subject to further debate in the Legislature;

NOW THEREFORE BE IT RESOLVED that the Anchorage School Board supports the recommendations of the Task Force; and

BE IT FURTHER RESOLVED that the Anchorage School Board specifically finds the following recommendations to be of high importance:

- The passing by the Legislature of S.B. 125 (PERS/TRS cost sharing) in substantially the same form as it currently exists.
- The creation of standing Education Committees in the House and Senate to oversee and review all education issues in the state;
- The referral to the education committees of the various long term issues discussed in the Task Force report;
- The implementation of the ISER district cost factors, phased in to statute over time as set out in the Task Force recommendations, with appropriation of sufficient funds to avoid a negative impact to Anchorage;
- The creation of a blue ribbon commission or some other body to obtain a neutral, professional review of the district cost factors and recommend

changes to those cost factors if the ISER factors are found to be inaccurate, so that the cost factors in statute reflect as accurately as feasible the differences in the cost of educating students throughout Alaska;

- The phased increases in the Intensive Need funding with those increases set into statute;
- The recalibration of the transportation reimbursement rate based on the most recent actual audited costs; and
- An increasing Base Student Allocation amount, set in statute for Fiscal Years 2009, 2010, and 2011, at an amount that will keep pace with projected cost increases over those years;

BE IT FURTHER RESOLVED that the Anchorage School Board requests that the BSA be set in statute for FY 2009 at \$5580, for FY 2010 at \$5780, and for FY 2011 at \$5980.

PASSED AND APPROVED by the Anchorage School Board this 10<sup>th</sup> day of September, 2007.

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Tim Steele, President

Jeff Friedman  
Mary Marks  
John Steiner

Crystal Kennedy  
Macon Roberts  
Chris Tuck

Carol Comeau, Superintendent

# Unalaska City School District



## Unalaska City School District Supporting Recommendations of the Joint Legislative Education Funding Task Force Report

**WHEREAS**, The Joint Legislative Education Funding Task Force met regularly over the summer; and

**WHEREAS**, the Task Force accepted public testimony, and openly discussed and debated the merits of various changes to the education funding formula; and

**WHEREAS**, the Task Force prepared a Report to the Legislature and the Governor with stated recommendations; and

**WHEREAS**, the implementation of the Task Force Recommendations will improve public education in Alaska and provide school districts with a more equitable and stable funding mechanism; and

**WHEREAS**, the implementation of the Task Force Recommendations will directly benefit students in the Unalaska City School District;

**NOW, THEREFORE, BE IT RESOLVED**, that the Unalaska City School District Board of Education supports the Task Force Recommendations; and specifically finds the following recommendations of high importance:

- The passing by the Legislature of SB 125 (PERS/TRS cost sharing) in substantially the same form as it currently exists;
- The creation of standing Education Committees in the House and Senate to oversee and review all education issues in the state;
- The referral to the Education Committee of the various long-term issues discussed in the Task Force report;
- The implementation of the ISER district cost factor, phased in to statute over time as set out in the Task Force recommendations;
- The phased in increases in intensive needs funding with those increases set into statute;
- The recalibration of the transportation reimbursement rate based on the most recent actual audited costs; and
- An increasing Base Student Allocation amount set in statute for fiscal years 2009, 2010 and 2011, at an amount that will keep pace with projected cost increases over those years.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the Unalaska City School District Board of Education specifically recommends that the Legislature adopt the Joint Legislative Education Funding Task Force recommendations within the first thirty (30) days of the legislative session.

ADOPTED this 24<sup>th</sup> day of January, 2008 by the Unalaska City School District Board of Education.

 Tammy Fowler-Pound President	 Sonia Handforth-Konie Clerk/Treasurer	 Melanie Magnusen Board Member
 Juanita Lewis Board Member	 Ruth Marquez Board Member	 Robyn Burt Student Representative

-----Original Message-----

From: Friedman\_Jeff [mailto:Friedman\_Jeff@asdk12.org]  
Sent: Thursday, January 17, 2008 9:07 PM  
To: Rep. Peggy Wilson; Rep. Bob Roses; Rep. Anna Fairclough;  
representative\_we\_keller@legis.state.ak.us; Rep. Paul Seaton; Rep. Sharon Cissna;  
Rep. Berta Gardner  
Cc: Rep. Mike Hawker; Comeau\_Carol; Steele\_Tim  
Subject: House Bill 273

Dear Representative Wilson and members of the HESS Committee:

I am writing to you as the chair of the Anchorage School Board's Legislative Committee. HB 273 will be heard by your committee next week, and I wish to express the Anchorage School Board's strong support for that bill.

The Joint Legislative Education Funding Task Force worked very hard last summer. The Task Force heard hours of testimony, and spent additional hours discussing ways to improve education funding in Alaska. The excellent process led to an excellent result. Clearly, the final recommendation contained compromises. At the same time, no vital interest was ignored. The Task Force's recommendations form a solid basis for improving academic achievement throughout Alaska.

I have attached a copy of a resolution passed unanimously by the Anchorage School Board. In addition, the Alaska Association of School Boards adopted a similar position in support of the Task Force recommendations.

HB 273 contains most of the Task Force recommendations (others have been proposed in companion bills). During it's deliberations, the Task Force initially thought not to make any recommendation as to the Base Student Allocation amount. After some discussion, it was decided that some increase to the BSA was needed, and that a minimum amount of \$100 additional per year would be included as a place holder. Both the discussion at that meeting and the language of the report indicate that this amount was not set in stone, but was intended solely as the minimum amount that should be considered. Based on current cost estimates, the Anchorage School Board, and AASB, support increases of \$200 per year over the next three years. Governor Palin used this same figure when she adopted the Task Force recommendations and filled in some of the details left open by the Task Force's report.

Anchorage supports phased increases to the District Cost Factors with the understanding that a new study will be completed to update those cost factors. The phased increases in intensive needs funding are extremely important to Anchorage, and are important to districts throughout the state since a single, expensive high need student could bankrupt a small district. Changes to the transportation reimbursement formula are also important.

Because of the phased increases to the District Cost Factors, much of the new money will not come to Anchorage. Anchorage still supports those increases, along with the entire package of Task Force recommendations because we believe that Anchorage benefits from strong districts throughout the state. I urge you to support HB 273 and include with it the BSA levels suggested by the Governor.

Please feel free to contact me if you have any questions.

Jeff Friedman  
Anchorage School Board Member  
1534 D Street  
Anchorage, AK 99501  
907-742-4699 (home)  
[Friedman\\_Jeff@asdk12.org](mailto:Friedman_Jeff@asdk12.org)

**From:** Comeau\_Carol [mailto:Comeau\_Carol@asdk12.org]

**Sent:** Monday, January 21, 2008 11:27 AM

**To:** Rep. Peggy Wilson; Rep. Bob Roses; Rep. Anna Fairclough; wes\_keller@legis.state.ak.us; Rep. Sharon Cissna; Rep. Berta Gardner; Rep. Paul Seaton

**Cc:** Rep. Mike Hawker; Mary A. Francis, Executive Director; Friedman\_Jeff; Steele\_Tim; karen\_rehfeld@gov.state.ak.us; mike\_tibbles@gov.state.ak.us; Comeau\_Carol

**Subject:** HB 273

Representative Wilson and members of HESS Committee:

I am unable to testify on Tuesday at 3:00 due to an already scheduled Anchorage School District budget hearing at the same time.

Legislative Chair, Jeff Friedman, has already transmitted his comments on behalf of the School Board and the District in support of HB 273 and the work of the Joint Legislative Education Funding Task Force Report. We are very grateful for the conscientious work of the Task Force and fully support their recommendations.

We feel that the Task Force delved into many important issues, and acknowledge that there are many other substantive issues still needing the full attention of the legislature. We applaud the fact that the House has already approved a separate standing committee for Education due to the complexity of these issues.

In addition to supporting the recommendations incorporated into HB 273, our School Board and administration support Governor Palin's plan of a three year Education Fund and the increase to \$200 per student on the BSA and the recalculation of the pupil transportation factor. Anchorage stands ready to share with you how we will use the additional revenue to enhance our instructional program in an effort to continue our academic progress and reducing the drop out rate. We are very much committed to supporting all of our students in their progress to gaining a high school diploma. In addition, we urge you to support Governor Palin's plan so we could do genuine forward planning for our instructional program. This will benefit every district in the state.

I thank you for your work on behalf of Alaskan children and school districts; I look forward to meeting with you when I come to Juneau February 9-11.

Thanks for considering my comments.

Carol Comeau

ASD Superintendent

**Resolution 07-16**  
**Support for the Joint Legislative**  
**Education Funding Task Force**

WHEREAS, there has always been division about how to conduct the State's business; and

WHEREAS, there is often disagreement about how to fund public education; and

WHEREAS, the Joint Legislative Education Funding Task Force included members of the Legislature with varying opinions and diverse views; and

WHEREAS, the process was open and transparent and all school districts and the public had opportunity to provide input through testimony; and

WHEREAS, the true costs of delivering education exceed the recommendations of the Task Force; and

WHEREAS, a proposed solution would be to use the Task Force recommendations for area cost differential and intensive needs multipliers, but phase-in over a three (3) year period, as well as a \$200 increase to the base student allocation per year; and

WHEREAS, the Council recognizes and is sensitive to the larger financial issues facing the State; and

WHEREAS, the results of the Task Force represent a best effort to date to solve long-term education issues; now

THEREFORE BE IT RESOLVED that the Alaska Council of School Administrators recognizes and appreciates the hard work, thorough deliberation, and the ability of the Joint Legislative Education Funding Task Force to make recommendations to the full Legislature and the Governor that favor Alaska's children, even in the midst of differences of opinion; and

BE IT FURTHER RESOLVED that the Alaska Council of School Administrators urges, at the minimum, full implementation of the Task Force recommendations during the current Legislative session.

Adopted by the Alaska Council of School Administrators  
October and December 2007

**Resolution 07-4**  
**Funding for High Cost Special Education Services**

WHEREAS, Alaska's public schools desire to meet their legal and educational responsibilities to provide effective education for all students, regardless of severity of disability or location in the State; and

WHEREAS, these responsibilities include the obligation to provide services in the least restrictive placement and manner appropriate to the child; and

WHEREAS, recognizing the much higher costs of educating children with extreme needs, the Alaska School Foundation Program has long provided Intensive Services funding to defray higher costs; and

WHEREAS, even where provided, Intensive Services funding has not reflected actual excess costs in comparison to other special education programs; and

WHEREAS, the federal Individual with Disabilities Education Improvement Act (IDEA) requires that public schools enroll students with disabilities at age three; and

WHEREAS, preschool students with intensive needs who enroll after the October count date, and after State funding has become fixed, incur costs to a district that are not typical of other students enrolling after the count date; and

WHEREAS, other students with intensive needs who move into a district after the October count date pose a similar financial challenge; now

THEREFORE BE IT RESOLVED that the Alaska Council of School Administrators urges the Alaska State Legislature to adequately fund services for students with intensive needs separate from the existing block grant program; and

BE IT FURTHER RESOLVED that the Alaska Council of School Administrators urges the Alaska State Legislature to both increase the multiplier used to allocate funding to students with intensive needs, and provide funding for all special education pre-school and K-12 students with intensive needs who enter a district past the count date.

Adopted by the Alaska Council of School Administrators  
October and December 2007

**Resolution 07-3  
Hold Harmless**

WHEREAS, school districts are negatively impacted by loss of funds due to decreased enrollment; and

WHEREAS, districts are not forward funded; and

WHEREAS, districts do not know actual State revenue until the first of November; and

WHEREAS, districts are required under current laws to notify tenured teachers of their contractual status by March 16; and

WHEREAS, districts are required under current laws to notify non-tenured teachers of their contractual status by the last day of the school term; and

WHEREAS, the loss of a school and/or decreased enrollment can have large, unexpected negative effects on the budget of the district; now

THEREFORE BE IT RESOLVED that the Alaska Council of School Administrators encourages the Legislature to establish hold harmless provisions similar to those previously in statute.

Adopted by the Alaska Council of School Administrators  
October and December 2007

**Resolution 07-10  
Pupil Transportation Funding**

WHEREAS, the pupil transportation costs for school districts have escalated to new, all-time highs; and

WHEREAS, the competition for transportation contracts continues to decrease; and

WHEREAS, pupil transportation is an important part of overall school funding; and

WHEREAS, getting students safely to and from school is a vital part of public education; and

WHEREAS, school districts need adequate funds to address increased pupil transportation costs to ensure that they are not forced to use instructional funding to meet the costs of these obligations; now

THEREFORE BE IT RESOLVED that the Alaska Council of School Administrators requests that the State of Alaska recalibrate the current formula for funding pupil transportation, and include an annual inflation factor.

Adopted by the Alaska Council of School Administrators  
October and December 2007